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SUBJECT: UGANDA: SCENESETTER FOR CODEL FEINGOLD (AUGUST 26-30, 2007)

¶1. (SBU) Summary: Uganda is a productive partner for U.S. policy interests in Africa, with Ugandan troops deploying to Somalia assisted by U.S. money and logistics. Uganda is vigorously supporting a number of U.S. initiatives including Presidential initiatives on HIV/AIDS (PEPFAR) and malaria (PMI), and U.S. free trade and free market objectives. Uganda cooperates fully in the War on Terror, and is highly receptive to U.S. training and presence.

¶2. (SBU) Uganda also has a number of challenges. Uganda's search for a peaceful resolution to the 21-year long conflict with the Lord's Resistance Army (LRA) continues. The Ugandan military is facing serious challenges as it carries out forcible disarmament of illegally armed persons in Karamoja, which has resulted in numerous deaths and alleged human rights violations. The United States is the largest bilateral donor for humanitarian efforts to assist the 1.5 million displaced persons in northern Uganda. President Museveni is facing significant pressure from within the ruling party on issues of succession, accountability, human rights and media freedoms. Museveni supports liberal market principles and foreign investment, although corruption remains a problem. Uganda recently was approved for a Threshold Program with the Millenium Challenge Corporation, and will receive USD 10 million for anti-corruption measures. Uganda reduced its HIV/AIDS rate from 18 percent in 1992 to 6.4 percent in 2006, and received USD 236 million in 2007 as a focus country for the President's Emergency Plan for AIDS Relief (PEPFAR).
End Summary.

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PEACE AND SECURITY
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¶3. (SBU) The security situation in northern Uganda improved dramatically over the past year. The insurgent Lord's Resistance Army (LRA), which was pushed into Congo in December 2005, agreed to negotiate with the Government of Uganda. Talks began in July 2006 and yielded a Cessation of Hostilities Agreement (CHA). LRA combatants have moved out of northern Uganda. With the exception of a few small groups, those in southern Sudan have moved toward Rikwangba, a designated assembly area in Southern Sudan. There have been LRA attacks along key roads between Uganda and Juba, but since August 2006, there has been just one in northern Uganda. The LRA's top leadership remains in Garamba National Park in the Democratic Republic of Congo.

¶4. (SBU) The peace process continues in Juba, Southern Sudan mediated by GOSS Vice President Riek Machar. In April, U.N. Special Envoy for LRA-Affected Areas, former Mozambican President Joaquim Chissano, adeptly overcame the LRA's complaints about the mediator, per diem, the venue for the talks, and the International Criminal Court (ICC) warrants. He established an international observer team consisting of representatives from Kenya, Tanzania, Mozambique, Congo, and South Africa. This team plays an active and effective role in keeping the talks moving and addressing complaints from the

parties. The talks reconvened with the parties reaching agreement on Agenda Item Two: Comprehensive Solutions on May 1 and an agreement on general principles of accountability and reconciliation on June 29. Both sides agreed that a national legal solution combined with traditional reconciliation mechanisms would be the basis for final resolutions. Despite LRA procedural machinations that led to delays in discussions, the international observer team steered the parties into agreeing on the principles for a justice and reconciliation framework and steps to be taken to develop mechanisms for its implementation. The talks were recessed for the parties to consult with key stakeholders in northern Uganda on their views on accountability. The USG, Norway, Sweden, and the Netherlands are funding the Government's part of the consultations, with USAID managing the contributions.

15. (SBU) In northeastern Uganda, humanitarian agencies report that insecurity in Kotido, Kaabong, and Abim districts has increased as the result of armed confrontations between the UPDF and illegally armed Karamojong.

16. (SBU) Ugandan troops deployed to Somalia as part of an African Union Peacekeeping Mission (AMISOM) in March. President Museveni, during his tenure as head of IGAD, oversaw the establishment of the Transitional Federal Government and Institutions, and committed to send Ugandan troops. The Ugandans believe that a stable Somalia is necessary for peace and stability throughout East Africa, especially for ending the flow of small arms into and through Karamoja. Uganda wants other African countries which pledged troops to follow through on their commitment to join Ugandan's 1500 troops. Uganda's Major General Levi Karahunga, a veteran of the Liberia peacekeeping mission, is AMISOM's force commander. The U.S. continues to provide support for Uganda's AMISOM deployment through the African Contingency Response Training and Assistance (ACOTA) program. Training is underway for Uganda's two battalions that will rotate

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into Somalia later this year.

17. (SBU) Uganda is proud to be part of the fight against global terror. Government officials are preoccupied with the spread of Arab fundamentalism. They frequently and publicly make the distinction between Arab states, such as Sudan and Eritrea and black African neighbors. Uganda is a predominately Christian country and promotes good relations with its Muslim community.

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HUMANITARIAN ASSISTANCE
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18. (SBU) The 21-year old LRA conflict displaced over 1.5 million people. Hundreds of thousands of internally displaced persons (IDPs) have returned near or to their lands as the result of improved security. Residents of Lango and Teso sub-regions have mostly returned to their places of origin while those in Acholi are beginning to move to new sites closer to their original homes.

19. (SBU) The improved security situation has led to a decline in the numbers of night commuters--children who seek sleep in shelters to avoid abduction from the LRA--to a few hundred, according to UNICEF, compared with almost 40,000 in 2003. Surveys indicate the few hundred children that continue to commute do so for reasons other than fear of abduction, such as domestic abuse and availability of services.

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USG ACTIVITIES
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10. (SBU) Various Mission agencies are working together to enhance peace and security in northern Uganda through a three-pronged strategy of humanitarian, political, and military assistance. Our overall assistance to northern Uganda in FY06 exceeded USD 88 million and the Mission opened a full-time office in Gulu in June 2007. The U.S. is the largest bilateral donor of food assistance for the 1.5 million displaced persons and refugees. We provide a variety of water, health, and sanitation assistance. We support

UNHCR and others in programs to ensure the safe and voluntary return of internally displaced persons to their homes or intermediate locations.

¶11. (SBU) We have promoted reconciliation, dialogue, and reintegration of former combatants through USAID programs aimed at mitigating conflict. Embassy officers in Kampala and Juba engage with key players in the negotiations. Modest amounts of Defense Department funds are being used to provide non-lethal assistance to help the UPDF protect civilians and relief supplies in northern Uganda. CJTF-HOA is working on humanitarian projects with the UPDF in northern Uganda to improve civil-military relations. Post is using IMET, ACOTA, and ACSS programs as well as participation in regional exercises to enhance the professionalism of the Ugandan military. On Somalia, the State Department funded the logistics of the UPDF's deployment while CJTF-HOA provided logisticians and members of the DAO's office coordinated the operation with the UPDF. Currently, 1500 Ugandan soldiers are being trained for rotation to Somalia under the State Department's African Contingency Operations Training and Support Program (ACOTA).

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DEMOCRACY AND GOVERNANCE
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¶12. (SBU) One year after returning to multi-party rule, Uganda is experiencing growing pains. The ruling National Resistance Movement (NRM) party is grappling with internal dissent among younger parliamentarians who resent the monopolistic behavior of the Movement's "historicals." Museveni also is being challenged by the historicals, who are interested in succession. Press reports suggest that the President is increasingly isolated at State House. As a result, the government has made several missteps in the past few months, including the siege of the High Court in March 2007 by government security agents to prevent the release of suspects in a treason case. The arrests of former Health Ministry officials has exposed the ruling party's redirection of immunization funds for partisan political purposes.

¶13. (SBU) Opposition parties remain weak, personality-based, and susceptible to intimidation and manipulation by the Executive Branch. The opposition's primary tools are press and protest because they are substantially outnumbered in parliament, and traditional media outlets are at times intimidated by the government. Government intimidation resulted in editorial and management changes in the independent media's most prominent newspaper, The Daily Monitor.

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¶14. (SBU) The government's human rights record needs improvement, particularly with respect to cases of arbitrary arrest and detention and lengthy pre-trial detention. However, the consensus of a wide range of UN agencies, international and local NGOs, and civil society organizations indicates that over the past year, the UPDF has demonstrated marked improvement in respecting the human rights of the IDPs under their protection in northern Uganda. While abuses were at one time common, and do still happen (particularly involving local defense units), they can now be categorized as individual incidents that do not occur as result of orders from senior officials, and are no longer part and parcel of the institution.

¶15. (SBU) The reasons for this improvement are attributable to a number of factors, including lowered tensions due to a reduction in the threat level, reassignment of the most notorious UPDF commanders whose units were associated with human rights abuses, increased international attention, and ongoing training by the USG, ICRC, and other organizations on international standards of human rights and humanitarian law. Organizations continue to monitor abuses and are working through the UN's cluster approach to improve reporting measures. The forcible disarmament program in Karamoja, however, has opened up the UPDF to new allegations of abuse, particularly excessive force.

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ECONOMIC GROWTH

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¶16. (SBU) President Museveni is a strong believer in an expanding African market starting with an enlarged East African Community, and remains committed to liberalizing the Ugandan economy, containing inflation, and encouraging economic growth, and foreign investment. Foreign debt has dropped from over USD 6 billion in 2004 to USD 1.6 billion in 2007 through debt relief programs. Uganda is attempting to diversify its agriculture-based economy, focusing on non-traditional, high-value items such as vanilla, processed fish, and cut flowers. The pace of economic growth has remained consistent over the last twelve years with annual GDP growth rates between 5-6 percent. Foreign direct investment is increasing. The fastest growing sectors are construction, transportation and telecommunications. Uganda's tourism industry is earning a significant amount of foreign exchange.

¶17. (SBU) The GOU is trying to manage public expectations regarding oil discoveries in western Uganda. In October 2006, the Australian firm Hardman Resources announced the first oil discovered on the shores of Lake Albert. Hardman has since been purchased by its partner in the exploration Tullow Oil of the United Kingdom. Canadian firm Heritage Oil has also discovered oil on a parcel it shares with Tullow Oil. Off shore exploratory drilling in Lake Albert began in August 2007 by Heritage. The event was marred with violence when on August 2, 2007, a British citizen employed by Heritage was killed during a firefight between security forces for Heritage and an armed Congolese group. The firefight took place on Lake Albert when the Congolese group attacked an oil exploration barge, and the UPDF responded and pursued the attackers. Uganda will be subdividing its remaining parcels and offering oil concessions in a public tender process in early 2008. Indian and Chinese firms are interested in expanding their investments to include Uganda's oil, but neither has negotiated concessions. General Electric's Oil and Gas division based in Italy is interested in identifying potential projects in this sector, but is waiting to see if the next project tenders for oil-related projects will be transparent.

¶18. (SBU) An ongoing energy crisis, corruption and inadequate transport infrastructure have hampered economic development and investor confidence. The energy crisis, which started in late 2005 due to poor energy planning coupled with a significant drop in Lake Victoria water levels, severely decreased electricity generation from hydroelectric power. Recent rains are increasing hydroelectric power output, and new leadership in the Ministry of Energy has added 100 megawatts of thermal generator power to help fill the power gap. Uganda was approved by the Millennium Challenge Corporation for a two-year USD 10.4 million Threshold Country Program (TCP) in Uganda to provide technical assistance, training and equipment to the Government of Uganda's anti-corruption agencies and the civil society organizations.

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INVESTING IN PEOPLE

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¶19. (SBU) Uganda is a focus country for the President's Emergency Plan for AIDS Relief (PEPFAR) and received USD 236 million in PEPFAR funds in FY 2007 for the Centers for Disease Control, USAID, NIH, Peace Corps, and Defense and State Department programs. The PEPFAR program is one of the largest in Africa, along with South Africa, Kenya, Nigeria, and Ethiopia. The PEPFAR Program in Uganda is being

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implemented in partnership with over 70 international and local organizations.

¶20. (SBU) Uganda is one of the few countries in the world that has successfully brought its prevalence rates down. Uganda's HIV/AIDS infection rate peaked at 18 percent in 1992 and has decreased to 6.4 percent in 2006. The decline is largely the result of President Museveni's leadership, an aggressive public awareness campaign, and significant donor support for programs that provide comprehensive prevention, treatment, care and support services for those infected and living with HIV/AIDS, orphans and vulnerable children, and pregnant women. The highest prevalence rates are in the northern

conflict regions and the central region.

¶21. (SBU) An estimated 135,000 new infections over the past year have caused concern that Uganda's success to date could be threatened. Transmission occurs mainly through heterosexual contact (75 to 80 percent), while mother-to-child HIV transmission accounts for 15-25 percent of new infections and medical transmission is responsible for about two percent of new infections. A recently conducted sero-behavioral survey indicated that some of the factors that are driving the epidemic are: an increase in multiple partners; a decrease in men's consistent use of condoms with casual partners; a high prevalence (60 percent) of genital herpes, which predisposes an individual to acquiring HIV; and HIV discordance in couples, i.e., when one person is HIV positive and the other is HIV negative.

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PUBLIC DIPLOMACY ACTIVITIES - EXCHANGES AND PRESS
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¶22. (U) In FY 2006, the Mission's Cultural Affairs office sent 51 Ugandans to the United States on a range of exchange and educational grants. In addition, during the 2005-06 academic year, some 588 Ugandans were enrolled in U.S. institutions of higher education. Ugandans value the chance to visit and study in the United States, and many Ugandan political and economic leaders are graduates of U.S. academic programs or former participants in USG-funded exchanges.

¶23. (U) The Ugandan press is primarily interested in U.S. government support for the Museveni government - or opposition politicians; the availability of U.S. visas; and U.S. aid (development and humanitarian and military) to Uganda. The press and public, while aware that the U.S. is a big donor to Uganda, often fail to understand the mechanics of U.S. foreign assistance and how to access it for particular communities and individuals.

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OUR MESSAGE
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¶24. (SBU) U.S. efforts to mitigate the effects of the conflict in the North and bring about a resolution to the conflict and reconciliation within the North, and between the North and the South, dominate our peace and security agenda. More recently, U.S. assistance for the Ugandan deployment to Somalia has increased our security focus. We continue to advance our interests in encouraging multi-party political competition, economic transparency, and combating HIV/AIDS. Our message to the Museveni government includes:

--Recognizing Museveni's efforts to bring about a peaceful resolution to the 21-year old conflict with the LRA. The GOU has demonstrated restraint and patience during the peace talks in Juba. The USG supports the Juba venue, Government of Southern Sudan's mediation efforts, and the activism of the UN Special Envoy and the African observers.

--Reaffirming our commitment to working with the GOU to mitigate regional tensions. We encourage Uganda to continue talking to its neighbors, particularly Congo, to deal with the regional aspects of the LRA problem and other issues.

--Appreciating Uganda's long-standing commitment to deploy to Somalia, and the high level of professionalism demonstrated during the preparations.

--Assisting the development of a democratic system, which includes strong civil society and democratic institutions, respect for human rights, rule of law, and transparency and accountability.

--Partnering with Uganda in the war against terror. We look forward to continuing to work with Uganda on the global war on terror and other programs of bilateral cooperation.

--Acknowledging the Government's commitment to combating HIV/AIDS and recognizing Museveni's leadership in Africa on arresting the pandemic.
BROWNING